

ABSTRACT

Indonesia is a country that has great natural resources. There are a lot of companies that run their business in natural resources sector in Indonesia. This is a great allure for investors to invest their money to companies which run a business in resources sector in Indonesia. This study is aims to analyze whether factors that influence the volatility of resources sector stock price. Resources sector stock price can be influence by macroeconomic factors such as inflation and USD to Rupiah exchange rate. The comodities price index is also factors that influence resources stock price, the index is West Texas Intermediate oli price and Indonesian reference coal price. Some of factors above is variables that influence resources stock price.

The sample used in this study is a secondary data of monthly resources stock closing price, The West Texas Intermediate oil price index, the Indonesian reference coal price, inflation rate and USD to Rupiah exchange rate in januari 2009 until desember 2017. This study examines the correlation between four variables above with resources stock price that is listed in Indonesia Stock Exchange (IDX) with GARCH-M (1,1) model.

The result of this study is shows that The West Texas Intermediate oil price index, the Indonesians reference coal price and USD to Rupiah exchange rate has a positif and significant effect on resources stock price. Meanwhile, the inflation rate has a negative and significant effect on resources stock price.

Keywords: resources stock price, The West Texas Intermediate oil price index, Indonesians reference coal price, inflation rate, exchange rate, GARCH-M